## REMARKS

Claims 1-40 remain in the application. Claims 1-18 have been withdrawn from consideration. Claim 27 was rejected under 35 USC 112, second paragraph on the basis that the units for the pressure of the process recited in the claim was omitted. Claim 27 has been amended to include the units "mbar".

Claims 19, 20 and 23-27 were rejected under 35 USC 103(a) as being unpatentable over Hiramoto in view of Katsuragawa. Amended claim 19 is distinguished over these references by reciting:

"hard axis annealing the magnetic layer in the presence of a magnetic field perpendicular to a major plane of the magnetic layer until the magnetic layer has an  $H_{\rm K}$  from 2.6 Oe to 6.0 Oe and in plane anisotropy."

Chart B on page 15 of the specification demonstrates in Examples VIII to XIII that when the magnetic layer is hard axis annealed in the presence of a magnetic field perpendicular to a major plane of the magnetic layer a uniaxial anisotropy  $H_K$  can be obtained from 2.6 Oe to 6.0 Oe. This step is not taught or suggested by the references. Claim 19 is essentially the same as claim 29, which has been indicated as being allowable, except the laminations set forth in claim 28 have been omitted. Claims 20 and 23-27, which are dependent upon claim 19, are considered to be patentable over the references for the same reasons as given in support for claim 19.

Claims 21, 22, 28, 30 and 31 were rejected under 35 USC 103(a) as being unpatentable over Hiramoto in view of Katsuragawa and further in view of Sano. Claims 21, 22, 28, 30 and 31, which are dependent upon claim 19, are considered to be patentable over the references for the same reasons as given in support for claim 19.

The Examiner indicated that claims 29 and 32-40 would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims. Claims 29 and 32-40 have been so amended and should now be in condition for allowance.

Should the Examiner have any questions regarding this document he is respectfully requested to contact the undersigned.

Respectfully submitted,

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